

Function 300: Natural Resources and Environment

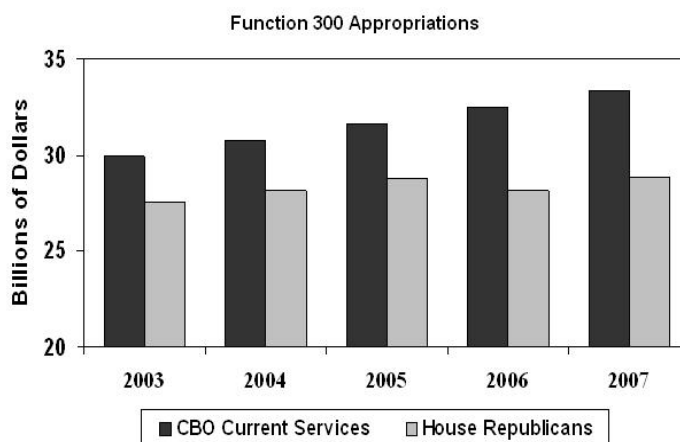
Function 300 includes programs concerned with environmental protection and enhancement; recreation and wildlife areas; and the development and management of the nation's land, water, and mineral resources. This function does not include the large-scale environmental clean-up programs at the Departments of Defense and Energy.

Budget Summary

With regard to appropriations for natural resources and environmental programs, the House Republican budget mirrors the President's budget over the five-year period (2003-2007). Both budgets significantly cut funding for programs that protect public health and the environment. For 2003, both budgets provide \$27.6 billion in appropriations for these programs, which is \$1.4 billion (4.9 percent) below the 2002 enacted level and \$2.4 billion (7.9 percent) below CBO's estimate of the level needed to maintain purchasing power at the 2002 level.¹²

The Republican budgets continue to cut the purchasing power of these programs in the following four years. By 2007, the budgets' funding for appropriated programs is \$4.5 billion (13.6 percent) below CBO's estimate of the level required to maintain purchasing power at the 2002 level.

House Republican Budget Undermines Environmental Protection



Prepared by the Democratic Staff of the House Budget Committee

Source: CBO

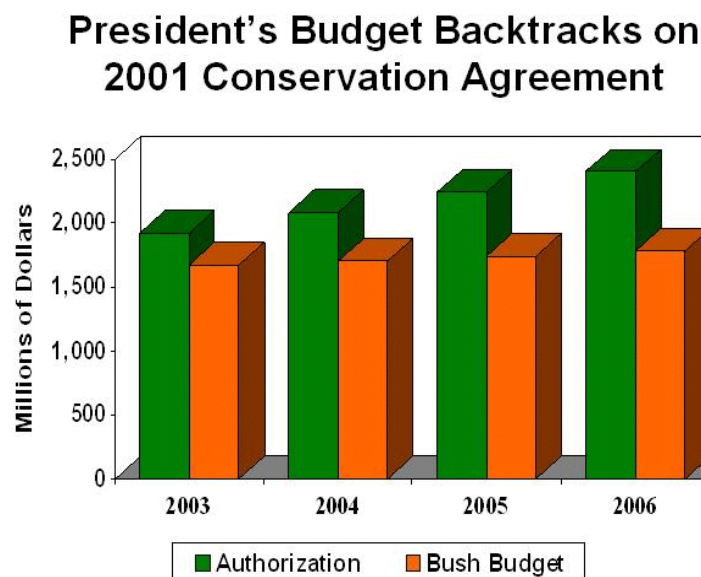
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¹² The President's budget displays an additional \$758 million in appropriations in this function for 2003 to account for the full cost of accruing all pensions, retired pay, and retiree health benefits for federal employees. This reflects only an accounting change and does not represent a programmatic increase. See *Appropriated Programs* and *Creative Accounting* for further information.

With regard to mandatory spending, both the House Republican budget and the President's budget provide the same amount of new funding for conservation programs as part of the Farm Bill. See *Function 350 (Agriculture)* for more details. The House Republican budget departs from the President's budget by not including a permanent extension of the recreation fee demonstration programs of the Forest Service, Department of Interior, and the Army Corps of Engineers.

Budget Details

- ***House Republicans Depart from President on Drilling in the Arctic National Wildlife Refuge*** — The President's budget assumes opening the Arctic National Wildlife Refuge (ANWR) to oil and gas exploration. However, like last year, House Republicans parted with the President and chose not to incorporate this assumption in their budget. Even if assumed in the budget resolution, this extremely controversial proposal cannot be implemented without new legislation from Congress.
- ***Conservation Category Flat-Lined*** — Like the President's budget, the House Republican



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budget backtracks on the landmark agreement made at the end of the 106th Congress to set aside and protect funds for land and water conservation programs. An overwhelming and bipartisan majority in Congress voted to create a new category of appropriated funding for these important and historically underfunded programs. For 2001-2006, a total of \$12 billion is “fenced off” from other appropriated funds, and if appropriators do not utilize all of the funds in the category in any one year, any unused funding is available for appropriation the next fiscal year.

Under the agreement, the budget should allocate just over \$1.9 billion for a pre-defined set of programs aimed at habitat and species protection, urban and historic preservation, maintenance of public lands, and other related purposes. However, the Republican budgets provide roughly \$1.7 billion, \$250 million (13.0 percent) less than called for by the agreement.

- ***Land and Water Conservation Fund Programs*** — Like last year, the Republican budgets claim to fully fund at \$900 million the programs associated with the Land and Water Conservation Fund (LWCF). (These programs are contained within the conservation spending category described above.) However, like last year, the budget accomplishes this feat by using LWCF funding for programs not traditionally associated with the Fund. Full funding would mean \$900 million split evenly between federal land acquisition and grants to states for the same purpose. In fact, the Republican budgets provide only \$486 million for the traditional purposes of the Fund, which is \$88 million less than last year and \$175 million less than the amount requested for these programs for 2003 by a coalition of environmental organizations.
- ***Army Corps of Engineers*** — Like last year, the President's budget and the House Republican budget make a significant cut to appropriations for the Army Corps of Engineers. This year, the Republican budgets cut the Corps budget to \$4.3 billion,¹³ \$369 million (7.9 percent) below a freeze at the 2002 level and \$511 million (10.6 percent) below CBO's estimate of the level needed to maintain purchasing power at the 2002 level. The Republican budgets include no new construction efforts for 2003 and instead focus on completing ongoing projects.

During Congressional hearings on the President's budget, Mike Parker, head of the Army Corps, declined to defend the unrealistically low funding level set for his agency. He was then forced to resign from office.

- ***Environmental Protection Agency (EPA)*** — For 2003, the Republican budgets provide \$7.7 billion in appropriations for EPA, \$461 million (5.6 percent) less than a freeze at the 2002 level. This funding level is \$661 million (7.9 percent) below CBO's estimate of the level needed to maintain purchasing power at the 2002 level. As described below, this cut falls mostly on water infrastructure funding.

¹³ Some presentations show the President's budget for the Army Corps as \$4.1 billion. This discrepancy exists because the budget proposes to finance the costs of routine operation and maintenance of certain Army Corps hydropower facilities directly from receipts of the Power Marketing Administrations. This proposal, which requires new legislation from Congress, has the effect of lowering the Corps appropriations total by \$149 million for 2003. The House Republican budget did not incorporate this proposal.

- ***Aid for Water Infrastructure*** — For 2003, the Republican budgets provide \$1.2 billion for the Clean Water State Revolving Fund (SRF) Program, \$138 million (10.2 percent) less than last year. For the Drinking Water SRF Program, the Republican budgets freeze funding at the 2002 level of \$850 million. Finally, the budgets zero out \$344 million in Congressional earmarks but fail to reinvest this money in other water infrastructure programs. Overall, the cut to water infrastructure aid totals \$482 million from the 2002 freeze level.
- ***Superfund*** — For 2003, the Republican budgets provide \$1.3 billion, roughly the same as last year, for cleaning up the nation's worst hazardous waste sites under EPA's Superfund program. With this funding, the Administration plans to complete 40 cleanups, many fewer than the annual average under the previous administration.

The Republican budgets provide over half of the funding (\$700 million) from general revenues and the rest from the Superfund trust fund. The trust fund has historically supplied most of the funds appropriated for the Superfund program. However, the taxes that fed into the trust fund expired in 1995, and the trust fund's balance is almost depleted. Failure to reinstate the Superfund taxes on petroleum and chemical products has required the greater reliance on general revenues, which many interpret as a move away from the "polluter pays" principle behind the Superfund program. The Republican budgets could have called for reinstating the Superfund taxes, but they failed to do so.

- ***National Park Service Maintenance*** — During the 2000 campaign, the President promised to eliminate the National Park Service's \$4.9 billion maintenance backlog over a period of five years. Fulfilling this promise would require approximately \$1 billion in additional funding each year. However, just like last year, the Republican budgets fail to provide the increase in funding that would put the government on course to fulfill the President's campaign promise. For 2003, the Republican budgets provide only \$663 million for construction and maintenance, nearly the same as last year.
- ***Abandoned Mine Reclamation Fund*** — The Republican budgets cut the Interior Department's Abandoned Mine Reclamation Fund program to \$174 million, which is \$29 million (14 percent) below the 2002 enacted level of \$203 million. This program addresses health and safety threats to communities adversely affected by pollution from abandoned coal mines. The overall decrease in this program includes a \$17 million reduction in reclamation grants to states and an \$11 million cut to federal emergency reclamation projects.
- ***Small Watershed Program Eliminated*** — Both Republican budgets eliminate P.L.-566, the Small Watershed Program in the Department of Agriculture. Last year, the Administration requested \$100 million for the program, and appropriators provided about \$107 million. The backlog of approved Small Watershed Program projects stood at \$1.6 billion at the beginning of October. The Small Watershed Program provides cooperation between the

federal government and states and localities to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds. OMB argues that the cost-benefit ratios for the projects do not make economic sense, but minimizes the fact that costs appear high for projects that involve flood control or drinking water supply projects in areas with low population density.